

DIRECTORATE OF INTELLIGENCE

MEMORANDUM C

The Situation in Vietnam

State Department review completed

Top Secret

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26 November 1967

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HIGHLIGHTS

- I. The Military Situation in South Vietnam: Only scattered contacts have been reported in the western highlands as enemy activity shifted to coastal II Corps (Paras. 1-6). On 24-25 November enemy forces shelled or attacked 38 South Vietnamese installations in the provinces of IV Corps (Paras. 7-9). Enemy forces continue to be active in the northern III Corps province of Phuoc Long and, after a period of relative inactivity, have apparently increased their aggressive posture in Bien Hoa Province (Paras. 10-13). US forces in Quang Nam Province have evacuated over 11,000 persons from the area of their operation (Para. 14).
- II. Political Developments in South Vietnam: The government has announced the appointment of Nguyen Van Huong as secretary general in the president's office and has established a 19-man Central Revolutionary Development Council to oversee the pacification program (Paras. 1-2).

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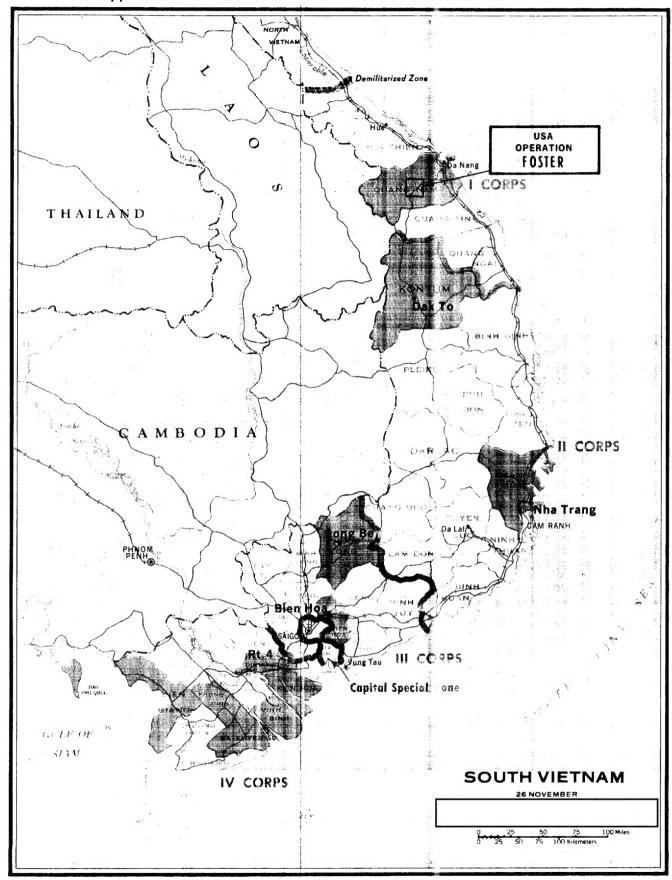
A third, probably opposition-oriented, bloc in the lower house may be in the making (Para. 5). Former presidential candidate Tran Van Huong has refused to accept the chairmanship of the new Inspectorate and will apparently remain out of public life entirely (Paras. 6-9).

- III. <u>Military Developments in North Vietnam</u>: There is nothing of significance to report.
- IV. Other Communist Military Developments: There is nothing of significance to report.
- V. Communist Political Developments: There is nothing of significance to report.

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I. THE MILITARY SITUATION IN SOUTH VIETNAM

1. Only scattered shellings and one minor contact were reported in the western highlands over the week-
were reported in the western highlands over the west
end as enemy activity increased elsewhere.
suggest that major
enemy units in western Kontumthe 1st Division,
the 24th, the 66th, and the 174th regimentsare pull-
ing back to the triborder area.

- On the morning of 26 November the Nha Trang Air Base complex received about 32 rounds of enemy 82-mm. mortar and 75-mm. recoilless rifle ordnance. The majority of the rounds impacted in the compound of the headquarters of the 5th US Special Forces Group which is located on the base. During the mortar barrage an enemy ground probe was made against the Special Forces camp, but was repelled. Twenty-nine US military personnel were wounded in this incident, and three transport aircraft were either destroyed or heavily damaged. Another eight aircraft received minor damage. No fueling facilities at the air base were damaged and the runways and airfield are operational; however, the ability of the US Special Forces Group to resupply Special Forces camps and operations has been temporarily impaired.
- 3. A reaction operation launched on the 26th by the US Special Forces has passed to the operational control of the 9th Republic of Korea Division. Contact with an enemy force was established, and 15 of the enemy were killed in contrast to allied losses of only four killed and 15 wounded.

4. The enemy unit responsible for the mortaring
of the Nha Trang base was probably an element of the
Over the past several months
there has been an upsurge of small unit and sapper-
type activities in the Mha Trang area and in the
entire coastal region of Khanh Hoa Province.

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5. Recent increases in enemy activity in Khanh Hoa appear to be aimed at undercutting the government's Revolutionary Development program and at regaining control of population lost to the government. In recent months, the enemy has stepped up his infiltration of small units into the villages and hamlets in the province. As a result of enemy action and allied efforts to root out these units from the villages, over 5,000 residents were destroyed or damaged during October. Additional numbers of refugees compound the government's administrative burden; moreover, these Communist actions probably had a deleterious psychological effect on the populace.

6. There are some indications that the enemy is planning to further increase sabotage activities in the Nha Trang area, which has been the focus for Viet Cong terrorist and sapper activity in II Corps for the past three months.

The Nha Trang City Committee held a meeting on 17 November at which a new sabotage plan was discounted.

on 17 November at which a new sabotage plan was discussed. This plan calls for increasing the number of urban sappers--including the recruitment of laborers on US bases for sabotage work--and further sabotage of allied military installations. In addition to the 26 November raid on the air base complex, terrorists on the 24th detonated explosive devices near the Khanh Hoa Provincial Headquarters and at a military club located in the Nha Trang beach.

Activity in IV Corps

Enemy forces in IV Corps are continuing to demonstrate their ability to conduct coordinated harassment of government installations. During the night of 24 November and into the early morning hours of 25 November, enemy forces in IV Corps shelled or attacked 38 South Vietnamese locations -- administrative centers, outposts, watchtowers, night defensive positions, and airfields. Among the government administrative centers subjected to enemy fire were two district towns in Dinh Tuong Province, three district towns in Kien Giang, three district towns in Vinh Binh, three district towns in Kien Hoa, and the provincial capitals of Phong Dinh and Ba Xuyen provinces. Preliminary friendly casualties from all of these incidents show 38 killed (25 ARVN and 13 civilians) and 130 wounded (98 ARVN and 32 civilians).

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- 8. In conducting these attacks the enemy expended at least 308 mortar rounds and an unknown number of recoilless rifle rounds. In addition, the enemy interdicted Highway #4 in Dinh Tuong Province in 11 locations.
- 9. There have been periodic surges of concentrated enemy activity in IV Corps since late October but, until the last few days, each series of coordinated actions has been confined to a single province. The more widely scattered attacks in several provinces on 24 and 25 November suggest that the enemy has improved his command and control network in the delta. If so, it is in keeping with improvements noted elsewhere in the country. The motives behind these attacks in the delta may be psychological as well as military, possibly to deter local inhabitants from moving to government areas.

Enemy Pressure on Northern III Corps

10. In III Corps on 25 November small unit contacts continued in the Song Be area.
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11. On 25 November assaulted an ARVN outpost two and a half miles
southeast of Song Be. The outpost—manned by one ARV company—succeeded in repulsing an estimated two enem companies and inflicted losses on the enemy of 100 killed and 64 weapons captured. The defending force suffered only six killed and 29 wounded.

- 12. At almost the same time as the attack on the outpost, enemy forces launched apparently coordinated mortar barrages on the district town of Phuoc Binh and on two ARVN bases in the Song Be area. Friendly casualties in these incidents are still unknown.
- 13. Elsewhere in III Corps, a battalion of Vietnamese soldiers made contact on 24 November with an enemy force about 15 miles northeast of the city of Bien Hoa. After a one-hour firefight, in which the

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allied force received artillery and air support, the enemy withdrew with unknown losses. Friendly forces, however, suffered 28 killed, 12 wounded, 12 missing and lose 29 weapons. Later, on the morning of 26 November, enemy forces were active in an area approximately 15 miles southeast of Bien Hoa City. On this occasion the enemy directed harassing fire into a US artillery fire support base, the Long Thanh District headquarters, three Vietnamese Army outposts, and two villages. The enemy's fire killed six civilians and wounded 31 persons (18 US soldiers, 3 Vietnamese soldiers, and 10 civilians).

Refugees Generated by US Operations in Quang Nam Province

14. As of 26 November, US forces in Operation FOSTER in Quang Nam Province have evacuated over 11,283 persons and 87 tons of rice from their operational area, about 24 miles southwest of the city of Da Nang. Approximately 5,400 persons and 21 tons of rice have been evacuated from the operational area to temporary refugee camps located at An Hoa, the district seat of Duc Duc District; an additional 5,900 persons and 66 tons of rice has been evacuated to Ai Nghia, the district town of Dai Loc District. Vietnamese district officials report that there are now approximately 15,000 refugees clustered around these two towns. In this clearing operation, US forces have destroyed over 5,500 structures and enemy fortifications.

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II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

- 1. On 25 November the government announced the appointment of Nguyen Van Huong, an adviser to President Thieu and his campaign manager during the election, as secretary general in the president's office. His duties in this position, as enumerated in the announcement and as Huong had earlier outlined for an embassy officer, will include administration of all agencies run directly by the president's office. He will also be responsible for liaison between that office and the prime minister's office, the legislature, and the various ministries. Huong will have the rank of minister.
- 2. Also announced was the formation under Prime Minister Loc of a Central Revolutionary Development Council to oversee all aspects of the pacification effort. The 19-man council, according to the announcement, will include most cabinet ministers and the five highest ranking generals, presumably including General Nguyen Duc Thang, Deputy Chief of the Joint General Staff in charge of the Revolutionary Development Cadre Directorate and the Regional and Popular Forces. Minister of Revolutionary Development Tri will be secretary general of the council. Corps-, special zone-, province-, city-, and district-level councils will also be established.

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Possible Third Lower House Bloc

the making and could be the beginning of a concerted opposition movement in the house. Au Truong Thanh, a former economy minister in the Ky cabinet who was disqualified as a presidential candidate, told a US Government officer on 20 November that he and a few colleagues are attempting to form a bloc of independent deputies. He mentioned Saigon deputies Nguyen Trong Nho and Ho Huu Tuong as participating in the establishment of the bloc. In view of Thanh's opposition activities and the professed antagonism of Nho and Tuong to the government, it would appear that the proposed bloc is intended as an opposition grouping to counterbalance the essentially progovernment Democratic and Farmer-Worker-Soldier Blocs.

Tran Van Huong on the New Government

- 6. Former presidential candidate Tran Van Huong has turned down the government's offer of a position at the head of the new Inspectorate and apparently intends to hold to his earlier announced decision to remain out of the new government. Both President Thieu and Vice President Ky had hoped to persuade Huong to accept the Inspectorate chairmanship, particularly because corruption, which the new body has been set up especially to investigate, has been Huong's special interest and was one of his prime campaign issues.
- 7. During a conversation with an embassy officer on 24 November, however, Huong said he had refused the post because, "as long as there are people in
 this country who feel they are above the law," a body
 like the Inspectorate can do little more than go after
 corrupt officials at the lowest levels. District and
 even province officials could be pursued, he said,
 but "their higher ranking protectors" could not be
 touched.
- 8. Huong also confirmed earlier reports that he had been offered and had refused the prime ministership. He portrayed this position in the new government set-up as one wedged in among the president, the National Assembly, and the generals and indicated he would have been dissatisfied with being merely an executor of the president's policies.

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9. Huong gives the new cabinet a life span of only six months, claiming that it is merely a transitional body. As for his own future, he is apparently content to remain out of public life, observing the political scene from a distance and occasionally consulting with younger political figures who often come to him for advice.

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- III. MILITARY DEVELOPMENTS IN NORTH VIETNAM
 - IV. OTHER COMMUNIST MILITARY DEVELOPMENTS
 - V. COMMUNIST POLITICAL DEVELOPMENTS
 - 1. There is nothing of significance to report.

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